

Minnesota

QUARTERLY EXPORT STATISTICS

4th Quarter

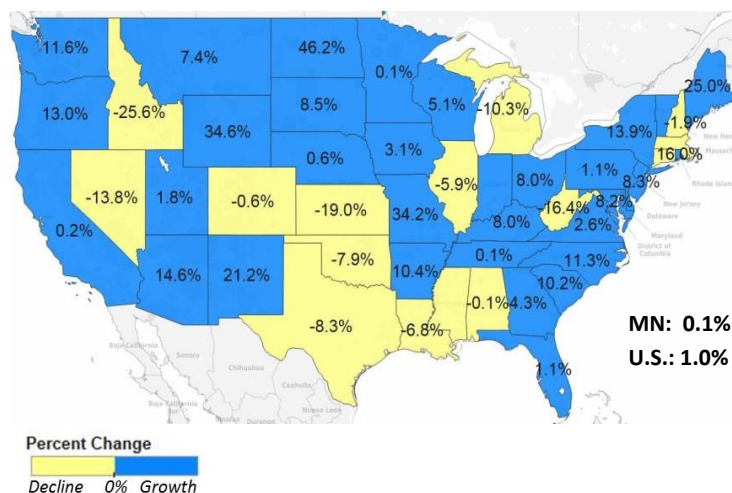
Department of Employment and Economic Development

Data on Minnesota Exports for Fourth Quarter 2014 – Published February 2015
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State Exports Valued at \$5.5 Billion in the Fourth Quarter

- Minnesota exports (including agricultural, mining and manufactured products) were valued at \$5.5 billion, and were about the same as one year ago (up 0.1 percent between the fourth quarters of 2013 and 2014). U.S. growth was 1 percent.
- Minnesota exported more than 930 different detailed products (4-digit HS codes) to 192 different countries in the fourth quarter of 2014.
- For 2014, Minnesota exports grew 2.9 percent to \$21.4 billion, while U.S. exports grew 2.8 percent.
- Referring to only manufactured goods, Minnesota exports – valued at \$5 billion in the fourth quarter of 2014 – matched U.S. growth in manufactured exports (of 0.8 percent) during this period.

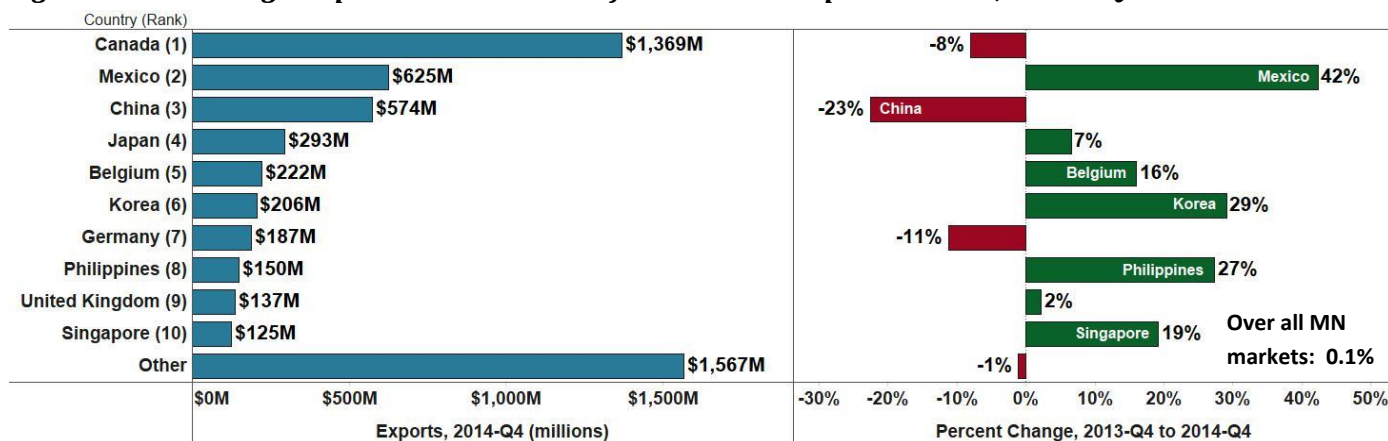
Figure 1. Fourth Quarter Export Growth in 35 States



Exports Increase to North America, Africa, the Middle East; But Drop to Canada, China

- Mexico** fueled export growth to **North America** (up 3 percent to \$2.0 billion). Sales to **Mexico** surged \$186 million, the most among all countries. Leading growth segments were **miscellaneous grains, vehicles** and **electrical machinery**.
- Increased sales of **soybean products** (to **Israel**) and **machinery** (to the **U.A.E.** and **Saudi Arabia**) contributed to growth to the **Middle East** (up 21 percent to \$120 million). Gains in **wheat** exports (to **Algeria**) drove growth to **Africa** (up 36 percent to \$80 million).
- Exports fell 4 percent to \$1.1 billion to the **European Union**, and 13 percent to \$230 million to **Central and South America**. However, strong regional markets included **Belgium** (up 16 percent), **Austria** (up 45 percent to \$31 million), **Costa Rica** (up 70 percent to \$27 million) and **Chile** (up 37 percent to \$30 million).
- Sales to **China** dropped sharply (down \$168 million). Excluding China, exports to other Asian markets grew 15 percent overall, including to **Korea**, the **Philippines**, **India** (up 37 percent) and **Singapore** (up 19 percent).

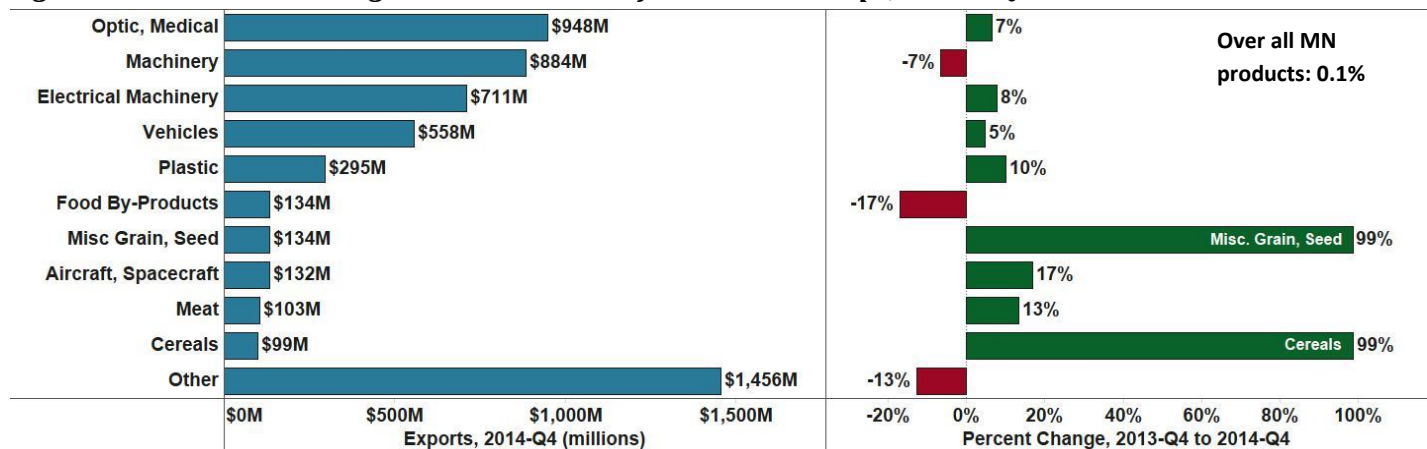
Figure 2. Double-Digit Export Growth in Five of Minnesota's Top 10 Markets, Fourth Quarter 2014



Soybeans, Optic/Medical Products, Electrical Machinery, and Cereals Lead Export Gains

- Between the fourth quarters of 2013 and 2014, **miscellaneous grains** (up \$67 million), **optics/medical** (up \$59 million), **electrical machinery** (up \$51 million), **cereals** (up \$49 million), **plastic** (up \$27 million) and **vehicles** (up \$26 million) showed the strongest gains.
- Miscellaneous grains, including soybeans and soybean flour** surged 99 percent to \$134 million, driven by the largest markets, **Mexico** (up 1,662 percent to \$43 million) and **China** (up 17 percent to \$36 million), and smaller markets such as **Israel** (up 3,071 percent to \$9 million) and **Indonesia** (up 866 percent to \$6 million).
- Optics/medical products** exports grew 7 percent to \$948 million. Leading growth products were **optic fiber** (up 69 percent to \$120 million, including strong growth to **Korea**) and **medical/surgical instruments** (up 12 percent to \$337 million, including strong growth to **Belgium** and **Costa Rica**). Exports of **orthopedic/artificial parts** dropped 14 percent to \$130 million as demand weakened in **Canada** and the **Netherlands**.
- Growth in sales of **electrical machinery** focused on **integrated circuits** (up 29 percent to \$157 million) – for which the **Philippines** accounts for 67 percent of exports – and **insulating wires/cables** (up 68 percent to \$26 million) – for which **Mexico** accounts for 69 percent of exports.
- Exports of **cereals** doubled to \$99 million during this period, due to explosive growth in sales of **wheat, grain sorghum** and **rice** to markets that had no such exports in the fourth quarter of 2013. **Wheat** exports jumped 161 percent to \$36 million, with **Algeria** driving most of the growth (up about \$24 million). Virtually all **grain sorghum** was sold to **China** (up \$14 million), and virtually all **rice** was sold to **Turkey** (up about \$12 million).
- Machinery** was the second-largest exported product, as sales fell 7 percent to \$884 million. While exports performed well in the **Philippines** (up 324 percent to \$20 million) and **Mexico** (up 14 percent to \$112 million), they fell significantly to **China**, **Belgium** and **Korea**. Strong growth in **centrifuges/filters**, **gas turbines**, **engine motor parts** and **transmissions** helped mitigate declines in **computer parts**, and **moving and sorting machinery**.
- Ores, slag, and ash** exports fell by half (down 51 percent) to \$98 million. Sales to **China** plunged from \$127 million to \$10,000 but the decline was mitigated by strong growth to **Canada** (up 26 percent to \$91 million).
- Growth in exports of **vehicle products** was strong in **Mexico** (up 71 percent to \$86 million, mainly due to **vehicle parts**), **Belgium** (up 219 percent to \$45 million, mainly due to **motor vehicles** and **tractors**) and the **United Kingdom** (up 413 percent to \$14 million, mainly due to **tractors**). Although exports to **Canada** fell 8 percent, growth in demand for **public transit vehicles** helped offset weaker sales of **tractors** and **special purpose vehicles**.
- Although exports of **food by-products** fell 17 percent, **Chile** had notable growth (up \$9 million to \$10 million).

Figure 4. Moderate to Strong Growth in Most Major Product Groups, Fourth Quarter 2014



The *Minnesota Annual Export Statistics* and *Minnesota Quarterly Export Statistics* are the most current resources available for tracking trends in the state's exports of goods. They are prepared by the Department of Employment and Economic Development's (DEED) Economic Analysis Unit (Thu-Mai Ho-Kim, 651-259-7180) for the Minnesota Trade Office (MTO). Since 2011, the reports have primarily covered export data based on the Harmonized Tariff System (Schedule B), collected by the U.S. Department of Commerce (USDOC) and distributed by the Global Trade Information Services. Reports are available on DEED's website at "Export and Trade Statistics" (<http://mn.gov/deed/data/export-stats/>).